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April 3, 2008

Honors College
Ball State University
Muncie, Indiana 47306

Re: Joe and Carol Trimmer Award(s) For Outstanding Senior Honors Project or Thesis

Dear Ladies and Gentlemen:

I am writing to nominate Terra Mackintosh for the Joe and Carol Trimmer Award for Outstanding Senior Honors Project or Thesis. This nomination is made with the passionate belief that Terra is an outstanding student, that she is socially conscious, and that her work on organizing the Conflict Diamond Protest has been exceptional.

I have known Terra for her entire four years at Ball State and found her to be not only a terrific student and a wonderful young artist, but a socially aware, politically minded individual who understands that she can have a significant place in trying to make the world a better place to live. I have been continually impressed with her world-view, her desire to make a difference and her willingness to give her all to the causes in which she believes.

We have a significant amount of Honors College students in the Department of the Theatre and Dance. When it comes to thesis time, so many of them choose to do a project that is directly connected to the work they are doing in our department. I am not denigrating that work, in fact, I have been the thesis advisor for a number of those projects. I am simply saying that I respect whole-heartedly both Terra's desire to make a difference and her willingness to look beyond her immediate work to something bigger in the world when it came time to pursue her thesis. To me, it says something significant about who she is as a person.

If you need further information, please feel free to contact me.

Best regards,

Karen Kessler
Coordinator; Production Option
Assistant Professor of Directing and Acting
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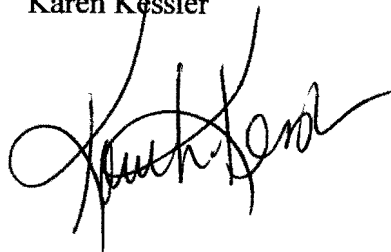
**A Non-Violent Protest: Giving People The Tools To Know Where to Buy Diamonds
and Where Their Diamonds Are Coming From**

An Honors Thesis (HONRS 499)

by

Terra Mackintosh

Thesis Advisor
Karen Kessler

A handwritten signature in black ink, appearing to read 'Karen Kessler', written over the printed name.

Ball State University
Muncie, Indiana

April 2008

Expected Date of Graduation: May 2008

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Abstract

I have had enough. People are not being told about conflict diamonds, and as a result, they are unknowingly supporting violent conflict in Africa. I want to call attention to our government's failure to enforce its own laws concerning diamond sales and the failure of large retailers to follow the Kimberly Process. I decided to educate the public on Saturday April 12th by means of a non-violent protest. A small group of Ball State students, professors, and myself will arrive at the Muncie Walmart at 10am to pass out leaflets and peaceably discuss these issues with the public. The group will move on to the Muncie Target at 3pm. If we are asked to leave Walmart early, we will then proceed directly to Target.

I will be presenting my findings during Final's Week (at Motinis). I will show the documentary that inspired my work (*Blood on the Stone*), reflect on the protest, and provide the audience with information on both conflict diamonds and how to be a smart buyer. I have also launched a website to provide those interested with links to more detailed information and organizations with which they can get involved. Here is the address: <http://tmmackintosh.iweb.bsu.edu/conflictdiamonds>. Thank you for taking the time to look at it.

Acknowledgements

-I want to thank Karen Kessler for advising me through this project. She was extremely helpful in developing the idea, organizing the protest, and keeping me sane.

-I want to thank Michael O'Hara for his constant support and enthusiasm for this project.

-I would also like to thank Mr. Bruce Mills of Counsel Barnes & Thornburg LLP for taking time out of his busy schedule to give his legal insight on the protest.

-I would finally like to thank my parents for inspiring me to do this project. From an early age, they have educated me about conflict diamonds, and have instilled in me the power to speak my mind.

Artist's Statement

As a Musical Theatre Major, most would expect me to do something theatrical for my final thesis project. I knew I should probably stay in my comfort zone of theatre, but I wanted to challenge myself. I come from a rather political, outspoken, headstrong family of lawyers and doctors and teachers. I was raised to be knowledgeable of world affairs and take action against violations of human rights.

As I was trying to brainstorm what I could do in Muncie, Indiana that would actually make a difference, I realized that I did not have to do some flashy parade, but simply educate. Education is the key to changing the world. So, I then had to choose a topic and a means of educating the public.

I knew I wanted to focus my attention on Africa. Africa has intrigued me since I was a little girl. Aside from the beautiful and amazing cultures, there is also horrifying violence and bloodshed. I feel overwhelmed by the crisis in Africa. Being constantly bombarded by horrifying new stories, and having a mother working with an NGO in Zambia, I have felt it was my duty to do something. But what do you do? What *can* you do? I recognized that realistically, any action I would take would have a minimal affect on the issues. That did not matter to me. I had to take action, and get other people involved.

After watching the documentary *Blood on the Stone*, I suddenly knew what I had to do for this project. I immediately drafted up a plan of attack: survey local diamond retailers (using Amnesty International's Diamond Retailer Survey), get a group together of students and professors, and protest. It would have to be peaceful, as history makes it quite evident that violence never gets us anywhere. I wanted to give the public a means of accessing information so that they can make the change. Education is the only way this protest would be successful.

My idea of "success" for this project is simple: if just one person takes the time to ask before they buy, and is proactive in not supporting buyers that cannot provide adequate certification, all of this will be worth it. I have already had a detailed discussion with a friend of mine who will be helping on the day of the protest. He is preparing to buy an engagement ring and had no idea conflict diamonds were still an issue. He has become inspired to be vigilant in choosing a buyer, and is seriously considering going with a man-made diamond, as to ensure it is conflict-free. His newfound concern with the topic has already made me feel that this protest is a success.

I recognize this project is rather unconventional and controversial, but I guess that also describes me. This project has given me hope that things can actually change, and that one person has the power to commence a movement. I know my protest will not stop the trading of conflict diamonds. I know it will not even make a dent in the issues Africa is currently facing. But I have faith that providing the public with a simple way to help will inspire others to take action, and that is all I want.

Please feel free to stop by Walmart around 10am on the 12th, or Target in the afternoon to see the protest in action. If you feel so inclined, and would like to help pass out leaflets, please to contact me. The more, the merrier!

Bibliography

Global Witness at globalwitness.org

Amnesty International at amnestyUSA.org

“Kimberley Process Certification Scheme.” kimberleyprocess.com

Diamond Retailer Survey

Retailer _____
Date _____

People Spoken To: _____

Do you know where the diamonds you sell come from?

___ No

___ Yes: _____

Have you been informed about conflict diamonds as a part of your training?

___ No

___ Yes

Have you ever heard of the Kimberly Process?

___ No

___ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

Can I see a copy of your company's policy on conflict diamonds?

___ No

___ Yes

___ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

___ No

___ Yes

Notes:

Contact: Terra Mackintosh
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Email: tmmackintosh@gmail.com

FOR IMMEDIATE RELEASE

PROTESTING CONFLICT DIAMONDS AT WALMART AND TARGET

*Giving People the Tools to Know Where to Buy Diamonds and Where Their Diamonds
Are Coming From*

Ball State University Senior Terra Mackintosh has had enough. People are not being told about conflict diamonds, and as a result, they are unknowingly supporting violent conflict in Africa. She wants to call attention to our government's failure to enforce its own laws concerning diamond sales and the failure of large retailers to follow the Kimberly Process (<http://www.kimberleyprocess.com/>). She has decided to educate the public on Saturday April 12th by means of a non-violent protest. Ms. Mackintosh and a small group of Ball State students and professors will arrive at the Muncie Walmart at 10am to pass out leaflets and peaceably discuss these issues with the public. The group will move on to the Muncie Target at 3pm. If they are asked to leave Walmart early, they will then proceed directly to Target.

Why has she targeted these two companies? Ms. Mackintosh first went to all the diamond retailers in the Muncie area and asked them questions concerning their suppliers, the education of their employees on conflict diamonds, their knowledge (if any) of the Kimberly Process, and how they ensure that their diamonds are conflict-free. She also requested to see their company's policy on conflict diamonds and a written guarantee stating that every diamond in their stock was conflict-free.

Neither Walmart nor Target adequately educated their employees about conflict diamonds. Adding ignorance to injury, a manager had to be called to "deal with her." Neither store would let her see a copy of their company's policy on conflict diamonds, nor could they provide her with written guarantees for every diamond in stock.

Every consumer has the right to see these documents and have these questions answered. If they have nothing to hide, why are these policies being kept a secret?

As if to underscore their lack of training and compliance, one Target employee attempted to reassure her that their diamonds were conflict-free because "We have a 90 day return policy." That was not the conflict Ms. Mackintosh had in mind.

These two large retailers will have a public wake-up call on April 12th. Compliance with the Kimberly Process is a SIMPLE WAY to help stop the violence in Africa. Is the diamond bought for love actually stained with human suffering? The public needs to know.

###

If you would like more information about this topic, or would like to schedule an interview with Terra Mackintosh, please contact her using the information listed above.

I CAN'T WEAR A WEDDING RING



SO YOU CAN



global witness

CONFLICT DIAMONDS: WHAT'S HAPPENING NOW

- **Diamond-fuelled wars** have killed over 4 million people, destroyed countries, and displaced millions more.
- **Blood diamonds are not just a problem of the past** – blood diamonds from West Africa are currently reaching international markets. The UN recently reported \$23 million in blood diamonds from the Ivory Coast are being smuggled into international diamond markets. Diamonds have fuelled the conflict in the Congo (DRC), the bloodiest war since WWII; armed violence and human rights abuses continue over control of diamonds mines in eastern Congo. As the brutal conflict in Sierra Leone shows, even a small amount of conflict diamonds can wreak enormous havoc in a country.
- **The government-run Kimberley Process**, set up to stop the trade in conflict diamonds, has serious weaknesses that must be addressed to make this system effective. Government controls are not strong enough or enforced effectively enough to make sure that diamonds mined by rebel groups don't get sold to fuel conflict.
- **Governments have let the industry off the hook**, failing to hold the industry to account over the trade in blood diamonds.
 - Diamond companies and traders exploit weak government controls and poor enforcement along the diamond supply chain and continue to trade in blood diamonds with impunity.
 - Massive Kimberley Process-related fraud has also been uncovered in Brazil and Venezuela. The Kimberley Process must require governments to set up strong diamond controls and carry out more checks on the industry.
- **The diamond industry, worth \$60 billion in 2005, has failed to match its rhetoric with action.** It agreed to police itself in support of the Kimberley Process, but it has not made a wholesale change in the way it operates to make sure that diamonds never again fuel conflicts. Some members of the industry continue to operate with impunity - breaking the law and trading in blood diamonds - while the rest of the industry turns a blind eye.
- **The industry's voluntary system of warranties is more of a PR exercise than a credible system.** It is not a robust or credible system that will combat conflict diamonds. There is no third party verification or monitoring to make sure that companies are adhering to the system and responsibly sourcing diamonds. The warranties system is not backed up with concrete policy measures.
- **Consumers can play an important role in combating conflict diamonds.** When in a diamond store, consumers should ask for a guarantee that the diamond they are buying is conflict-free.
- **Global Witness and Amnesty International** are supporting the film, *Blood Diamond*, as an important way to raise awareness about how diamonds can fuel conflict. We hope that as a result of the movie, people will ask more questions before buying a diamond, and that the industry will take action to make sure companies can provide consumers with adequate assurances that the diamonds they sell are conflict-free.

How can you help?

As a consumer you can help ensure diamonds never again fund conflict. When shopping for diamond jewelry, you can ask the salesperson four questions to find out what they are doing to help prevent the trade in conflict diamonds. They should be only too pleased to help you. If they aren't, try somewhere else, and tell them why.

- How can I be sure that none of your jewelry contains conflict diamonds?
- Do you know where the diamonds you sell come from?
- Can I see a copy of your company's policy on conflict diamonds?
- Can you show me a written guarantee from your diamond suppliers stating that your diamonds are conflict-free?

Make sure the diamond industry gets the message that the only diamonds people want to buy are conflict-free.

Want your diamonds conflict-free? Ask to see their guarantee.

Is the US diamond industry doing enough to end the trade in conflict diamonds?

The United States has the largest market for diamonds in the world. But the US diamond industry has not done enough to ensure that the diamonds it sells are conflict-free. The industry has not taken the steps necessary to ensure that the diamonds it sells are conflict-free. The industry has not taken the steps necessary to ensure that the diamonds it sells are conflict-free.

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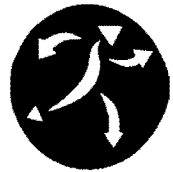
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Are you looking
for the perfect
diamond?



global witness

The Truth About Diamonds

Diamonds and Conflict

What are conflict diamonds?

Conflict diamonds, also known as blood diamonds, are diamonds that are used by rebel groups to fuel conflict and civil wars. They have funded brutal conflicts in Africa that have resulted in the death and displacement of millions of people. Diamonds have also been used by terrorist groups such as Al-Qaeda to finance their activities, and for money-laundering purposes.

Are conflict diamonds still a problem?

Diamonds are still fuelling conflict. In West Africa, diamonds from the rebel-held area of [REDACTED] and are [REDACTED] to international markets. The United Nations has recently reported that poor controls are allowing up to [REDACTED]

[REDACTED] where they are being certified as conflict-free, and through Mali. The Kimberley Process was set up to stop the trade in conflict diamonds but it still isn't strong enough to achieve its aim.

Angola, the Democratic Republic of the Congo (DRC), Liberia and Sierra Leone are still recovering from widespread devastation resulting from wars funded by diamonds.

[REDACTED]

The number of conflict diamonds has significantly reduced because peace agreements have been signed in countries in Western and Southern Africa. But more diamond-fuelled wars could happen in the future unless the Kimberley Process strengthens government controls and the diamond industry cleans up its act.

The Devastating Impacts of Conflict Diamonds

Angola

- Civil War: 1961–2002
- Cost at least 500,000 lives. Thousands suffered maiming by landmines
- Rebel Group UNITA controlled 60–70% of Angola's diamond production.
- UN Security Council diamond sanctions imposed in 1998, lifted in 2002.

DRC

- Civil war: 1998–2003 with continuing insecurity in east
- Estimated cost of over 3 million lives
- Rebel groups supported by neighbouring countries competed for resource-rich diamond areas in north-east.
- UN sanctions on diamonds were never imposed.

Sierra Leone

- Civil war: 1991–2002
- Cost at least 50,000 lives. Civilians suffered killings, mutilation, rape, torture and abduction.
- Rebel group Revolutionary United Front was mining up to \$125 million of diamonds annually.
- UN Security Council diamond sanctions imposed in 2000, lifted in 2003.

Liberia

- Civil war: 1989–1997, 2000–2003
- Cost at least 200,000 lives. Widespread human rights violations committed by all sides and 1 million displaced.
- Conduit for RUF diamonds and arms imports.
- UN Security Council diamond sanctions imposed in 2001, reapplied annually and most recently in October 2006.

What is the diamond industry doing?

The diamond industry is supporting civil society calls for the Kimberley Process to be strengthened, providing further evidence that more must be done to improve this government-run system. At the same time, the diamond industry has failed to follow through on the commitments it made to combat conflict diamonds. Despite the millions of people killed in civil wars fuelled by diamonds

adoption of the measures they

However, this

their support for strengthening the Kimberley Process must be matched by meaningful action to set up systems to effectively track diamonds from mine to sale that can assure consumers the diamonds they buy are conflict-free.

Given that diamonds have done so much damage in the past and have the potential to do so again in the future, the diamond industry must take concerted action against illicit diamond trading networks. Failure to face up to this problem will result in the continued use of diamonds by terrorists, rebel groups, and those involved in organised crime. The industry's failure to systematically adopt strong systems puts the legitimate industry at risk of facing a consumer backlash. Governments must require that the diamond industry put meaningful systems in place to stop conflict diamonds from entering the legitimate trade.

Diamonds and Under-development: Who benefits from diamonds in Africa?

Diamonds have directly funded several wars in Africa that have destroyed lives, killing, maiming and displacing millions and wrecking economies. In many other diamond rich countries in Africa, diamonds have failed to contribute positively to development. ~~With the exception of Botswana~~ including the million or more artisanal diamond miners and their communities often live in

conditions of ~~extreme poverty~~. Many diamond-rich countries are extremely poor and people are not benefiting from the wealth in their soil.

~~Botswana~~ is frequently cited as an exception to this as the country ~~has used its diamond revenues~~. Yet, Botswana faces significant economic development challenges - unemployment is high, nearly a quarter of the population lives on less than US\$1 a day, and there has been little effort to diversify the economy.

~~Botswana~~ of ~~Botswana~~ in Botswana. However, Botswana does benefit from diamonds more than many African diamond rich countries because its ~~mines are~~ and are relatively easy to secure. They are mined on an ~~open~~ basis. This is not the norm.

In many African countries, there is ~~no~~. Instead, hundreds of thousands of men and children work in dirty, dangerous, and difficult conditions digging for diamonds, and they often earn less than a dollar a day. This is ~~often~~ carried out with simple picks, shovels and sieves.

Artisanal mining takes place in countries with ~~large~~ (diamonds ~~and~~ including ~~the~~ and the ~~as well as~~ recent studies of the artisanal diamond mining sector have shown that:

- There are up to a million artisanal diamond diggers in African countries living in poverty.
- Diggers in ~~Sierra Leone~~ the ~~the~~
- In Sierra Leone, ~~who~~ who regularly collude to cheat artisanal diggers in a market that is rigged so it is neither free nor fair.
- Artisanal diggers ~~are~~, with mine collapses, shootings or beatings, detentions and exploitation common in several countries.

Case studies of diamond-rich African countries

Many countries rich in diamonds in Africa languish at the bottom of human development indices and are recognized by the international community as failed states. The

Link between diamonds and development in Africa

Diamond producing country	Human Development Index ¹	Corruption Perceptions Index ²	Failed States Index ³	Long-term debt ⁴	Human Rights Situation ⁵
Angola	160	142	37	8.6 bn	"unlawful killings, disappearances, torture, beatings, and abuse of persons "
Botswana	131	37	96	488.3 mio	police use of excessive force during interrogation of suspects
Central African Republic	171	130	13	926.2 mio	"extrajudicial killings by security forces, kidnappings by armed groups, torture, beatings, rape, and other abuses of suspects and prisoners by security forces"
Congo Brazzaville	142	142	n/a	5.1 bn	"mob violence, including killing of suspected criminals; security force beatings, physical abuse of detainees, rapes, looting, solicitation of bribes, and theft; uncontrolled and unidentified armed elements harassed, and extorted civilians and international NGO workers"
DRC	167	156	2	10.5 bn	"unlawful killings by security forces; the torture and abuse, including rape, of persons by security forces; armed groups operating outside of government control in four eastern provinces"
Ghana	138	70	106	n/a	"police use of excessive force, which resulted in deaths; vigilante justice; politically/ ethnically motivated violence"
Guinea	156	160	11	3.2 bn	"unlawful killings by security forces; beatings and abuse of civilians, particularly detainees, by security forces"

1. The Human Development Index measures the average achievements in a country in three basic dimensions of human development: 1.) A long and healthy life, measured by life expectancy at birth. 2.) Knowledge, measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary, and tertiary gross enrollment ratio (with one-third weight). 3.) A decent standard of living, as measured by gross domestic product (GDP) per capita at purchasing power parity (PPP) in USD. at purchasing power parity (PPP) in USD. The larger the number, the less developed is the country. <http://hdr.undp.org/statistics/data/> (29/08/2006)
2. Transparency International's Corruption Perceptions Index. The CPI ranks more than 150 countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys. The higher the number, the worse the perception of corruption. http://www.transparency.org/news_room/in_focus/cpi_2006/cpi_table
3. Failed States Index. The index is compiled using the Fund for Peace's Conflict Assessment System Tool. It assesses violent internal conflicts and measures the impact of mitigating strategies. 146 countries appear on the list. 1=most failed state <http://www.fundforpeace.org/programs/fsi/fsindex2006.php>
4. Long-term Debt, Data from the WorldBank, in US-\$, 2004
5. Country Reports on Human Rights Practices, Africa 2005 <http://www.state.gov/g/drl/rls/hrrpt/2005/c17092.htm>

two interlinked causes of the conflict. Off-licence
export of diamonds from the country. Attempts are being made to return a percentage of export tax to diamond mining communities. However, this money is not reaching the population and has not translated to any meaningful benefits on the ground. In Kono district, where diamonds have been mined for over 70 years, there is no electricity, roads are in disrepair and homes have been destroyed by fighting. Over 100,000 people have been displaced as diamonds are mined.

What must be done?

In order to protect the legitimate trade in African diamonds and make sure diamonds can never again fund conflict, the

that include

The diamond industry should be required to put meaningful systems in place to support the aims of the Kimberley Process. The industry must ensure that all participating countries

The diamond industry must follow through on its commitments to stop conflict diamonds and expose those individuals and companies that are breaking the law. It is well known within the trade who is engaging in the illicit trade, but



Artisanal diamond digger washing gravels to look for diamonds in the Democratic Republic of the Congo

The industry must work more proactively with law enforcement agencies to hold accountable any members of the trade operating outside the Kimberley Process.

Consumers also have a role to play and should ask questions to find out if their jeweller is doing its best to ensure that the diamonds they sell are conflict-free.

Governments, the diamond industry, and non-governmental organisations must also take an active role in addressing the political, social and economic challenges facing the artisanal diamond mining sector in order to ensure that it contributes to sustainable development.

References

- 1 Partnership Africa Canada "The Kimberley Process: The Case for Proper Monitoring" September 2002, <http://www.pacweb.org/e/images/stories/documents/KP%20Monitoring.pdf>.
- 2 Global Witness interview with diamond trade experts.
- 3 See Global Witness fact sheets on the Kimberley Process and on the diamond industry for further information.



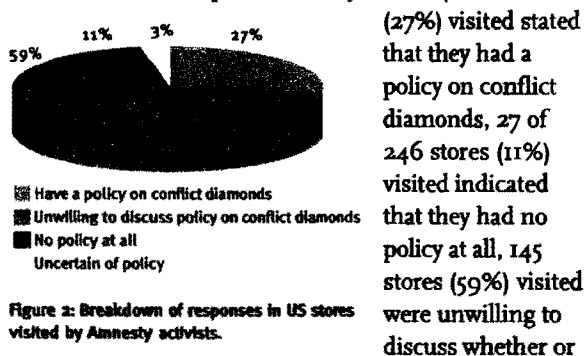
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policy. Only 18% of total stores surveyed could provide a copy of the policy. In addition, only 38% of salespeople indicated that they had received any training on the issue of conflict diamonds. Finally, only 7% indicated that they are providing a warranty certificate for customers confirming the origin of all diamonds sold in the store, 5% provided a warranty for larger/more expensive stones, and 13% provided one on request from the purchaser.

- ♦ Awareness in the US was even lower. A total of 246 shops were visited by Amnesty activists across the US. Thirty seven percent of stores visited claimed to be aware of the conflict diamond issue. Of those stores where salespeople said they knew about conflict diamonds, 54% reported an inaccurate definition of the problem. Only 66 of 246 stores



not their company had a policy on conflict diamonds, and 8 stores were uncertain. Of the 246 shops visited, only 13% provided warranties to their customer, to demonstrate their efforts to implement the self-regulation, as standard practice. Sixty-seven percent of stores visited were unwilling to discuss whether they had a system of warranties in place. For some of the chains, there was little evidence of standardized education, including some companies whose headquarters claim they have staff education programs. In some cases, Amnesty activists visited several branches of the same chain and got inconsistent responses. It is important to note that the survey of salespeople in stores yielded varying results. Salespeople at some companies surveyed that claim to have staff education programs were not able to provide information about these policies to Amnesty members.

Lack of transparency toward civil society

- ♦ Despite the warning by Jewelers of America to its members advising that they should "respond promptly to questions from NGOs, media or consumers about conflict diamonds",⁷ many retailers in the US refused to participate in the survey, and

others offered the organization's prepared statement as the sole answer to the survey and would not go any further. Many activists encountered resistance and resentment from retailers, and were met

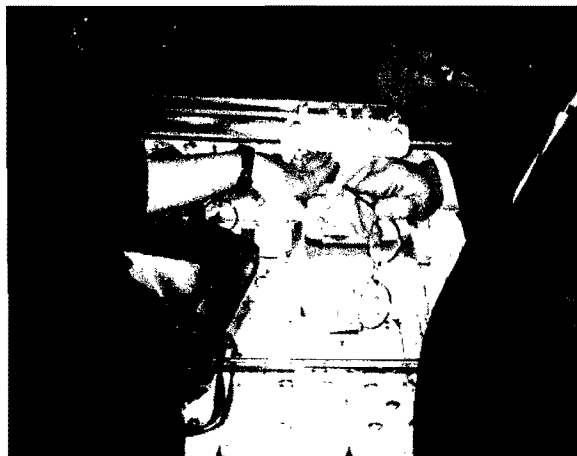
with angry objections to their inquiries. One activist described resistance in one shop as follows: "[W]e went in very respectfully and they told us to get the 'hell' out of their store, and said we should be spending our time on more useful things... This really bothered me because one of the employees said they didn't care about what happened in Africa."

"They told us to get the 'hell' out of their store, and said we should be spending our time on more useful things...one of the employees said they didn't care about what happened in Africa."

Failure of diamond trade associations in monitoring self-regulation implementation

- ♦ The survey found that the World Diamond Council (the industry body responsible for coordinating the industry efforts to tackle conflict diamonds), World Federation of Diamond Bourses (WFDB), the International Diamond Manufacturers Association (IDMA) and other industry trade associations that have repeatedly committed to combating the trade in conflict diamonds are still falling far short on adequately monitoring self-regulation implementation. In particular, Global Witness and Amnesty International have serious doubts about the effectiveness of the World Diamond Council in achieving these goals. Urgent steps should be taken to ensure that the World Diamond Council is strengthening its efforts in coordinating and monitoring industry's actions to combat conflict diamonds.

♦♦♦





global witness

The US Diamond Sector

Background

The United States of America (US) is the most important player in the diamond jewellery business because it accounts for over half of global diamond jewellery retail sales. Because of its importance, the US diamond industry, especially the retail sector, has a vital role to play in tackling the problem of conflict diamonds by pressuring downstream suppliers to adopt strong policies. The retail sector is the public face of the industry and has a special responsibility to ensure that it can provide consumers with guarantees that diamonds are not from conflict sources.

The US is by far the largest consumer of diamond jewellery in the world with retail sales in 2005 worth US\$33.7 billion. The US is not a producer of diamonds, but New York serves as a major centre for cutting and distributing high value diamonds and supplying polished diamonds to wholesalers and retailers globally. In 2005 the US imported around US\$900 million of rough diamonds, three-quarters of which came from South Africa, Botswana and the

Democratic Republic of Congo. The US also received rough diamonds from other African countries including Ghana, Guinea and Namibia.² However, most diamonds come to the US after having been already cut and polished elsewhere. In 2005 polished diamond imports to the US were worth over US\$15 billion, of which over 90% came from Israel, India and Belgium.^{3, 4}

US Implementation of the Kimberley Process

The US is a participant in the Kimberley Process Certification Scheme. In April 2003, the Clean Diamond Trade Act was passed by the US Congress and signed by President George Bush. Under this Act, the import and export of rough diamonds into the US is prohibited unless it has been controlled through the Kimberley Process. The Department of State and the Treasury Department were appointed to coordinate an inter-agency working group to implement the law, which came into effect on 30 July

\$675 Billion

US Polished Diamond Imports 2001-2005 by Country of Origin

	2001	2002	2003	2004	2005	Total
Israel	\$5,097,920,713	\$5,758,784,110	\$6,069,208,133	\$7,132,279,972	\$8,097,052,617	\$32,155,245,545
India	\$1,920,336,859	\$2,635,032,192	\$2,563,525,827	\$2,852,130,475	\$3,079,551,682	\$13,050,577,035
Belgium	\$2,056,239,902	\$2,282,565,936	\$2,591,614,860	\$2,726,490,707	\$2,820,302,202	\$7,219,691,301
Others	\$669,569,063	\$685,982,026	\$712,645,511	\$861,440,883	\$439,505,458	\$3,369,142,941

Compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission

The Patriot Act has huge implications for the diamond jewellery industry, an industry that has traditionally been extremely secretive and prefers to use cash. While recognizing the civil liberty concerns with the Patriot Act, Global Witness believes that the anti-money laundering sections could have a powerful effect on cracking down on the use of diamonds for illicit purposes and for conflict and terrorism. However, the success of these rules depends on widespread compliance by the diamond industry and effective enforcement of these provisions by the Treasury Department.

The Diamond Industry's Broken Promises

There are several major trade bodies located in the US that have represented the diamond industry on the issue of conflict diamonds. These include the World Diamond Council, which was created to represent all sectors of the diamond trade on the conflict diamond issue and at the Kimberley Process meetings, Jewelers of America and the

~~Jewelers Vigilance Committee~~. The Gemological Institute of America is based in California and certifies diamonds for quality, but does not certify diamonds for conflict-free status. Other major diamond trade bodies include the New York Diamond Dealers Club, the International Diamond Manufacturers Association (IDMA), the World Federation of Diamond Bourses (WFDB) and the World Jewelry Confederation (CIBJO).

The US and other international diamond industry bodies have made many promises in support of the Kimberley Process including implementing a system of self-regulation to support a chain of custody from mine to shop front. However, the diamond industry has not kept many of these promises.

Some of these trade bodies have produced educational materials to educate the industry about the Kimberley Process. For example, in 2003 the WDC produced *The Essential Guide to the Kimberley Process* to inform sectors of the industry how to carry out the self-regulation. In 2005, the Jewelers Vigilance Committee issued an Anti-Money Laundering Compliance Kit to help companies comply with the Patriot Act anti-money laundering regulations that have recently come into effect in the US. A new World





global witness

KIMBERLEY PROCESS UPDATE, 13 NOVEMBER 2006

The annual Kimberley Process Plenary meeting was held in Botswana from 6-9 November 2006. There were several important issues facing the Kimberley Process, many of which were raised in a report assessing how effective the Kimberley Process has been in its first 3 years. The main issues were:

COTE D'IVOIRE:

Problem:

A UN panel of experts found that up to \$23 million of conflict diamonds from the rebel-held north of Cote d'Ivoire were being smuggled to neighbouring countries and reaching international markets. Ghana, a Kimberley Process participant, was accused of certifying a large proportion of these conflict diamonds.

Action:

A KP envoy was sent to Ghana. Ghana has come up with a 3 month action plan for strengthening their controls. The World Diamond Council (WDC), the body representing the diamond industry on blood diamond issues, also agreed to send experts to Ghana to check diamond shipments to try and make sure that no Ivorian diamonds are exported. This is supposed to be carried out two weeks after the Kimberley Process meeting. The Kimberley Process will send a review mission to evaluate progress in 3 month's time. If the team is not satisfied with Ghana's actions to strengthen their internal controls to stop conflict diamonds entering legitimate trade, the team can call for Ghana to be removed from the Kimberley Process. Civil society has continued to call for Ghana to voluntarily suspend its exports so that it does not continue to certify conflict diamonds smuggled across the border from Cote d'Ivoire.

PUBLISHING STATISTICS

Problem:

The WDC had been blocking publication of basic Kimberley Process production and trade data from each participating country.

Action:

At the meeting the WDC changed its position and agreed that summary data from each country should be made public. All Participants agreed that this should happen. Data will now be made public six months after its submission.

GOVERNMENT DIAMOND CONTROLS

Problem:

The Kimberley Process document states that all participants should have diamond control systems to make sure conflict diamonds don't enter the legitimate trade. Currently, there are no baseline standards that all participants control systems must meet.

Action:

A set of baseline standards were agreed to which give specific guidance on what governments should do to ensure their diamond controls are strong enough to stop conflict diamonds entering the legitimate trade. These standards are reasonably comprehensive, and will be monitored by the review visits that assess a country's compliance with the Kimberley process. However, the new standards are not requirements so civil society will continue to advocate for systematic implementation and monitoring of these standards.

GOVERNMENT CHECKS ON THE DIAMOND INDUSTRY

Problem:

The Kimberley Process does not require participants to carry out spot checks to verify whether the diamond industry is complying with the Kimberley Process and the industry system of warranties. Some participants do this but others do

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KIMBERLEY PROCESS UPDATE, 13 NOVEMBER 2006

not. Civil society wants all participants to be required to carry out physical checks of rough diamond imports and exports as well as spot checks of companies to make sure they were complying.

Action:

The set of baseline standards (mentioned above) include recommendations to check industry compliance with the Kimberley Process and the system of warranties, including physical checks of rough diamond imports and exports, and spot checks of all companies dealing in rough diamonds. The guidance suggests that all companies involved in the trade in rough diamonds have their compliance with the Kimberley Process and system of warranties independently verified.

The WDC supported civil society calls for government verification of industry compliance with KP and the system of self-regulation. There was agreement that governments need to demonstrate how they verify industry compliance with the scheme. However, there was no consensus over how this would be done. It was agreed that this will receive priority attention over the coming year. This needs to be followed up with a concrete timetable and plan for developing and implementing this requirement.

FINANCING THE SCHEME

Problem:

The Kimberley Process is not funded and is run by those that volunteer time and resources. This is not sustainable and places an undue burden on those who volunteer. Civil society had called for a funding mechanism to be considered.

Action:

At the meeting, individual countries agreed to provide funding for civil society participation in review visits. Individual governments are considering the possibility of providing resources to look in more depth at problems in countries and ensure adequate follow up. The WDC, at the meeting, supported civil society calls for funding issues to be addressed. Financing the KP is one of the priority issues to be further considered by the KP next year.

SUSPENDING PARTICIPANTS THAT ARE NOT COMPLYING

Problem:

The Kimberley Process has no suspension mechanism for participants that aren't complying with the scheme.

Action:

It was decided that the Kimberley Process should develop a suspension mechanism. Another mechanism for further pressuring countries that are not submitting statistics on time was agreed - publishing the names of countries publicly who are habitually late

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696-3400

Diamond Retailer Survey

Retailer Target
Date _____

Guest Relations (800)
440-0680

People Spoken To: Mgr, called higher

Do you know where the diamonds you sell come from?

☒ No sent Gorn

☐ Yes: _____

Have you been informed about conflict diamonds as a part of your training?

☒ No

☐ Yes

Have you ever heard of the Kimberly Process?

☒ No

☐ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

90 day return policy

Can I see a copy of your company's policy on conflict diamonds?

☒ No no idea

☐ Yes

☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☒ No

☐ Yes

Notes:

Employee didn't know → ask manager

90 day

cannot answer in store

Diamond Retailer Survey

Retailer Walmart
Date _____

People Spoken To: Elena

Do you know where the diamonds you sell come from?

☐ No
☒ Yes: _____

Have you been informed about conflict diamonds as a part of your training?

☒ No
☐ Yes

Have you ever heard of the Kimberly Process?

☒ No
☐ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

your comp. assures through email

Can I see a copy of your company's policy on conflict diamonds?

☒ No
☐ Yes
☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☒ No → only w/ expensive
☐ Yes

Notes:

certification given after purchase
not all certified → if lower price
against Walmart policy to answer in-store
surveys
both employees jittery + neither informed
about Kimberly Process

Diamond Retailer Survey

Retailer Macy's
Date _____

People Spoken To: _____

Do you know where the diamonds you sell come from?

☐ No
☒ Yes: Israel, Canada,

Have you been informed about conflict diamonds as a part of your training?

☐ No
☒ Yes

Have you ever heard of the Kimberly Process?

☐ No
☒ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

don't buy from anyone

Can I see a copy of your company's policy on conflict diamonds?

☒ No send it in
☐ Yes
☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☐ No
☒ Yes NY office

Notes:

Foot Italy

Diamond Retailer Survey

Retailer Andrews
Date _____

People Spoken To: _____

Do you know where the diamonds you sell come from?

☐ No
☒ Yes: many

Have you been informed about conflict diamonds as a part of your training?

☐ No
☒ Yes

Have you ever heard of the Kimberly Process?

☐ No
☒ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

through home office

Can I see a copy of your company's policy on conflict diamonds?

☒ No
☐ Yes
☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☐ No
☒ Yes home office

Notes:

Diamond Retailer Survey

Retailer Zales
Date _____

People Spoken To: _____

Do you know where the diamonds you sell come from?

☐ No
☒ Yes: _____

Have you been informed about conflict diamonds as a part of your training?

☐ No
☒ Yes

Have you ever heard of the Kimberly Process?

☐ No
☐ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

Can I see a copy of your company's policy on conflict diamonds?

☐ No
☐ Yes
☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☐ No
☐ Yes

Notes:

Diamond Retailer Survey

Retailer KAY
Date _____

People Spoken To: _____

Do you know where the diamonds you sell come from?

☐ No
☒ Yes: _____

Have you been informed about conflict diamonds as a part of your training?

☐ No
☒ Yes

Have you ever heard of the Kimberly Process?

☐ No
☒ Yes poster

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

can trace origins

Can I see a copy of your company's policy on conflict diamonds?

☐ No
☒ Yes
☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☐ No
☒ Yes

Notes:

Mecia → mgr
may be willing to help

Diamond Retailer Survey

Retailer Ashcraft Jewelers (765-284-8811) 525 E. McG
Date _____

People Spoken To: Joe Ashcraft

Do you know where the diamonds you sell come from?

☐ No
☒ Yes: Israel

Have you been informed about conflict diamonds as a part of your training?

☐ No
☒ Yes

Have you ever heard of the Kimberly Process?

☐ No
☒ Yes

How can I be sure that none of your jewelry contains conflict diamonds?

Response:

Can I see a copy of your company's policy on conflict diamonds?

☐ No
☒ Yes
☐ Never heard of it

Can you show me a written guarantee from your diamond suppliers stating your diamonds are conflict-free?

☐ No
☐ Yes

Notes:

hand picked
Canada Certified
print-outs on African crisis for employees
knowledgeable of conflict may be willing
to help us → call back

DO YOU KNOW WHERE YOUR DIAMONDS COME FROM?

AN HONORS THESIS PRESENTATION BY TERRA MACKINTOSH



**IS A DIAMOND BOUGHT FOR
LOVE ACTUALLY STAINED
WITH HUMAN SUFFERING?**

**PEOPLE ARE NOT BEING
TOLD ABOUT CONFLICT
DIAMONDS, AND AS A
RESULT, THEY ARE
UNKNOWNLY SUPPORTING
VIOLENT CONFLICT
IN AFRICA.**

WHERE: MOTINIS (UPSTAIRS OF MTCUP)

WHEN: THURSDAY, MAY 1ST

**WHAT: 4PM - SHOWING OF THE DOCUMENTARY
"BLOOD ON THE STONE"**

**5PM - DISCUSSION OF LOCAL RETAILER SURVEYS, PROTEST
REACTIONS AT WALMART AND TARGET, AND WHAT TO DO IF
YOU WANT TO BUY**

**THIS IS A SIMPLE WAY TO HELP.
COME LEARN WHAT YOU CAN DO.**

Sierra Leone

- 1991-2001 Civil War
- Rebel group Revolutionary United Front
- 50,000 dead
- Killings, mutilations, rape, torture, abduction
- Child soldiers
- Mine up to \$125 mill. Annually

Kimberly Process Certification Scheme

- Prevent trade of diamonds that fund conflict
- Launched in Jan 2003
- Certify shipments of rough diamonds (uncut) free from blood diamonds
- Must set up control systems: only trade with other countries who have agreed to terms of Scheme
- 71 countries

Video

- Other countries: Angola, DRC, Liberia, Botswana
- Ranked lowest on UN Human Development Index
- World's poorest countries

Lives of Natives

- Working conditions are terrible
- Money from diamonds is not going to the people, furthering gvt. Corruption

Diamonds and the US

- Leading consumer
- In 2005 retail sales of \$33.7billion
- New York major center for cutting and distributing high value diamonds
- 2005 imported \$900 mill. Rough, $\frac{3}{4}$ from South Africa, Botswana, Congo
- That's \$675 mill.

Way to take a stand

- Change has to start with the consumer
- Ask before you buy

Amnesty Surveys

- 2004 surveyed retailers in UK, US, Australia, Belgium, France, Germany, Italy, Switzerland
- 56% did not respond (including Costco, Friedmans, Kmart, TJ Maxx)

- Many members of Kimberly
- 27% say had policy
- 30% produce hard copy or explain
- 13% provide warranty to customer as standard
- 37% claimed aware of conflict diamonds, 54% reported inaccurate definition
- 28% aware of Kimberly Process
- Warranty stating diamonds are not from conflict sources meaningless unless backed up by concrete policies and monitoring to demonstrate from legit sources
- 83% of retailers said consumers rarely or never ask about conflict diamond policies***why I did this project

My Surveys

Organizing protest

- Provided packet (can get you copy if you'd like)
- Made website
- Designed shirts
- Contacted media

Protest

- Walmart
- Target

My Reactions

- Rather successful
- Out of my hands
- Continue to work in NY

Man-made diamonds

- Apollo
- Indistinguishable from real ones
- Cheaper
- ANOTHER OPTION!!!

Change will come with education

Tell your friends

Do not buy from someone who cannot provide you with this information

Safest thing is to just not buy diamonds

Be smart about where you buy

Thank you